MULTIMEDIA UNIVERSITY STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2215)

BMR3094 MARKETING IN SERVICE INDUSTRY

(All sections / Groups)

17 FEBRUARY 2023
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 3 pages with 4 Questions only.
2. Attempt **ALL QUESTIONS in section A and B.** Distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

SECTION A
(ANSWER ALL QUESTIONS IN THIS SECTION)

QUESTION 1

"A service is rented rather than owned."

a. Explain what the statement means.

(5 Marks)

b. Use 4 **(FOUR)** examples to support your explanation.

(10 Marks)

(Total: 15 marks)

QUESTION 2

a. Define customer contact.

(2 Marks)

b. Contrast how customers experience and evaluate high versus low-contact services

(8 Marks)

(Total: 10 marks)

QUESTION 3

a. Explain what is meant by core product and supplementary services.

(5 Marks)

b. What are the significances of supplementary services to marketing?

(5 Marks)

c. Explain the "flower of service" concept and identify each of its petals.

(5 Marks)

d. What is the difference between enhancing and facilitating supplementary services?

(5 Marks)

Continued...

e. Why do new services often fail? What factors are associated with successful development of new services?

(5 Marks)

(Total: 25 marks)

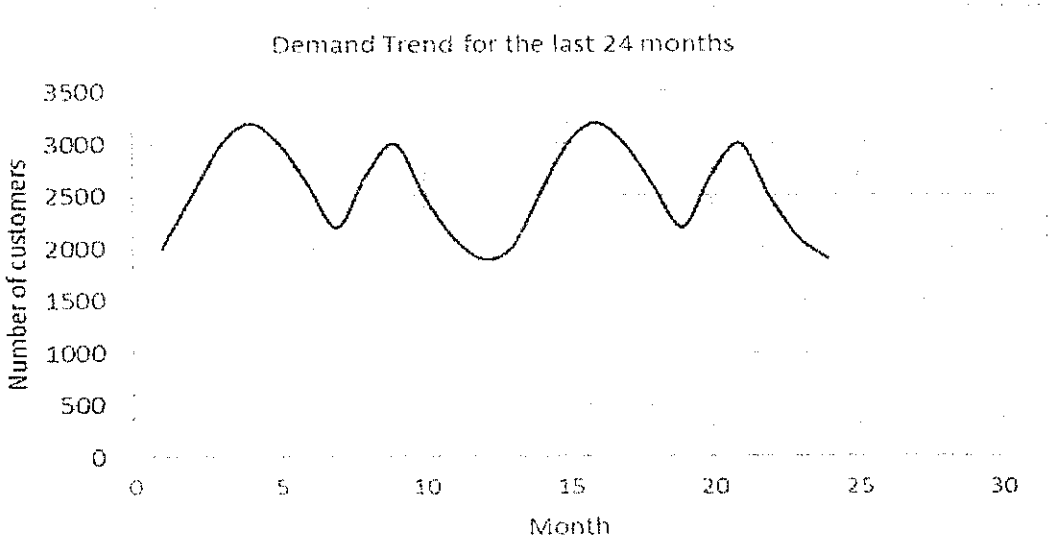
SECTION B

(ANSWER ALL QUESTIONS IN THIS SECTION)

QUESTION 4

AMARA Group (AG) has been in business for the last two years, opening its doors to customers 20 days a month (non business days were used for preparations, maintenance as well as rest days for the team). Their sales records shown that AG was operating at full capacity from January to November. December sales for the last two years were recorded at 88% of full capacity.

From their turn down records, operating at 2500 capacity, AG management are aware that **demand for their services exceeded supply**, this is represented in the illustration below. In all, it can be seen demand is at its peaks in April as well as October and at its lows in July and December.



Continued...

a. If AG management decided to increase its operational capacity, what are the five productive capacity that the company should consider expanding?

(10 marks)

b. As illustrated above, demand for AG services will fluctuate. What five actions can the firms take to adjust capacity to more closely match demand?

(10 marks)

c. Explain the meaning of ambient conditions and how AG can use them to influence their customer behaviour in its service setting?

(10 marks)

d. In expanding their capacity, AG has allocated a large sum of money for their staff training. Why do you think they decided to do so?

(10 marks)

e. Explain why AG needs to manage the relationship between service quality and productivity in ensuring the company profitability.

(10 marks)

(Total: 50 marks)

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